



Sheppard Pratt

HEALTH SYSTEM

Testimony on SB 334
Health Insurance – Coverage for Mental Health Benefits and Substance Use
Disorder Benefits – Treatment Criteria

Senate Finance Committee

February 19, 2020

POSITION: SUPPORT

I am Kylie McCleaf, chief of children and family services for Sheppard Pratt Health System, the largest nonprofit provider of mental health, substance use, special education, developmental disability, and social services in the country. As a nationwide resource, we serve more than 70,000 people annually across 160 programs in 16 Maryland counties, spanning both hospital- and community-based services.

Our outpatient mental health services include school and home-based mental health services, outpatient mental health services for adults and children, and a coordinated specialty care team for individuals with new on-set psychosis.

Improving access to mental health or addiction treatment for individuals with commercial insurance is a critical need in our communities.

- The large outpatient Mental Health Center (OMHC) and the school and home-based services programs are only able to accept private insurance when an existing client transitions from public insurance to private insurance, in order to promote continuity of care during client's life transition, due to the capacity of our medical providers and the credentialing of our staff. Psychiatry time is a commodity that is increasingly expensive and represents high cost to the OMHC and the rates of reimbursement by many insurance companies cannot cover the cost of prescribing time and the program cannot sustain additional financial loss. Currently, we are referring privately insured clients to other community providers and often hear the stories of individuals struggling to find credentialed providers to obtain the mental health care they need. We do not keep a waitlist as our belief is that people cannot wait for care and need to link to appropriate services immediately.

Despite the great need for improved access to treatment, our organization has encountered barriers to increasing our participation in insurance plans offered by commercial carriers.

- One of the largest barriers to accepting private insurance has been the credentialing process that may take 8 weeks to complete. Recently LM level social workers have been able to be credentialed with private insurances and this has

assisted in creating a much-needed workforce. However, it is difficult to maintain credentialed providers in an OMHC as private practice is more attractive to many fully licensed providers. The timeframe to credential a new provider is prohibitive as a new staff member cannot build a caseload until they are credentialed, and most individuals cannot wait months to start a new job and begin receiving reimbursements.

- The rates of many private insurances are also prohibitive as the rate is often lower than Medicaid rates and do not provide adequate margins to cover the expenses of the OMHC, this is especially true of child and adolescent psychiatry services.
- Other barriers include the somewhat complex or differential rules around billing and combination of service rules.

When we aren't credentialed to serve an individual seeking care through an insurance plan, significant costs accrue to us as an organization or to the individual seeking care.

- The difficulty in credentialing or lapses in credentialing often yield services that cannot be reimbursed. This cost is evidenced by uncollected/bad debt by the agency. Clients often struggle to pay their deductible or co-insurance and the agency has ethical obligations to treat clients based on their acuity or need and this further reduces the agency reimbursement for services, despite attempts to collect.

We believe that the Maryland Insurance Administration (MIA) must be proactive in examining carrier practices – including carriers' actual implementation of policies that impact access to behavioral health treatment – in order to ensure that Marylanders with behavioral health needs have access to services for which they pay their insurance premiums.

We urge a favorable report for SB 334.